COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERY CORP. FOR AN ADJUSTMENT IN EXISTING RATES

CASE NO.

) 2006-00369

ORDER

This matter is before the Commission on its own motion. At an informal

conference held on Friday, January 5, 2007, the parties advised Commission Staff that

they had reached a settlement in this matter. The Commission finds that the hearing in

this matter, which is currently set for Wednesday, January 10, 2007, should be

cancelled so as to allow the parties an opportunity to document the terms and

conditions of their settlement.

IT IS HEREBY ORDERED that:

1. The hearing currently set for Wednesday, January 10, 2007, is hereby

cancelled.

2. On or before January 12, 2007, the parties shall submit an executed

settlement agreement along with a copy of the applicant's proposed revised tariffs and

proof of revenue.

3. A hearing on the reasonableness of the proposed settlement agreement

shall be held on January 23, 2007, beginning at 9:00 a.m., Eastern Standard Time, in

Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort,

Kentucky.

4. The applicant shall take all necessary and reasonable steps to make sure that proper notice of said hearing is provided in accordance with the Commission's regulations.

Done at Frankfort, Kentucky, this 8th day of January, 2007.

By the Commission

ATTEST:

Robert a Smath for the Executive Director